

Financial statements of

**Oshawa Central Business District  
Improvement Area**

December 31, 2016

# Oshawa Central Business District Improvement Area

December 31, 2016

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## Independent Auditor's Report

To the Board of Management, Members of Council,  
Inhabitants and Ratepayers of  
the Corporation of the City of Oshawa

We have audited the accompanying financial statements of the Oshawa Central Business District Improvement Area, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion the financial statements present fairly, in all material respects, the financial position of the Oshawa Central Business District Improvement Area as at December 31, 2016 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants  
June 28, 2017

# Oshawa Central Business District Improvement Area

Statement of financial position  
as at December 31, 2016

	2016	2015
	\$	\$
<b>Financial assets</b>		
Cash	90,774	68,389
Accounts receivable	10,070	20,754
	<b>100,844</b>	89,143
<b>Liabilities</b>		
Accounts payable and accrued liabilities	8,323	15,929
Net financial assets	<b>92,521</b>	73,214
<b>Non-financial assets</b>		
Tangible capital assets (Note 2)	424	848
Deferred revenue	(20,508)	-
Prepaid expenses	1,254	1,378
	<b>(18,830)</b>	2,226
<b>Accumulated surplus (Note 3)</b>	<b>73,691</b>	75,440

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of operations  
year ended December 31, 2016

	<b>Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
	\$	\$	\$
<b>Revenue</b>			
Taxation	143,100	143,100	143,100
Summer Student Subsidy	-	2,700	1,980
Miscellaneous	-	1	-
	<b>143,100</b>	<b>145,801</b>	<b>145,080</b>
<b>Expenses</b>			
Administration (Schedule)	58,100	57,224	56,278
Beautification (Schedule)	35,500	43,288	28,347
Promotion (Schedule)	67,700	46,587	45,048
Membership liaison (Schedule)	2,750	451	1,662
	<b>164,050</b>	<b>147,550</b>	<b>131,335</b>
Annual (deficit) surplus	<b>(20,950)</b>	<b>(1,749)</b>	13,745
Accumulated surplus, beginning of year	<b>75,440</b>	<b>75,440</b>	61,695
<b>Accumulated surplus, end of year</b>	<b>54,490</b>	<b>73,691</b>	<b>75,440</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of change in net financial assets  
year ended December 31, 2016

	<b>Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
	\$	\$	\$
<b>Annual (deficit) surplus</b>	<b>(20,950)</b>	<b>(1,749)</b>	13,745
Amortization	<b>500</b>	<b>424</b>	424
Change in prepaid expenses	-	<b>124</b>	3,026
Change in deferred revenue	-	<b>20,508</b>	-
Change in financial assets	<b>(20,450)</b>	<b>19,307</b>	17,195
Net financial assets, beginning of year	<b>73,214</b>	<b>73,214</b>	56,019
<b>Net financial assets, end of year</b>	<b>52,764</b>	<b>92,521</b>	73,214

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of cash flows  
year ended December 31, 2016

	2016	2015
	\$	\$
<b>Operating activities</b>		
Annual (deficit) surplus	(1,749)	13,745
Item not involving cash		
Amortization	424	424
Changes in non-cash operating items		
(Increase) decrease in accounts receivable	10,684	(10,370)
Increase (decrease) in accounts payable and accrued liabilities	(7,606)	4,631
Increase (decrease) in deferred revenue	20,508	-
(Increase) decrease in prepaid expenses	124	3,026
	<b>22,385</b>	<b>11,456</b>
<b>Capital activity</b>		
Acquisition of capital assets	-	-
Increase in cash	<b>22,385</b>	11,456
Cash, beginning of year	<b>68,389</b>	56,933
<b>Cash, end of year</b>	<b>90,774</b>	<b>68,389</b>

The accompanying notes to the financial statements are an integral part of this financial statement.



# Oshawa Central Business District Improvement Area

Notes to the financial statements

December 31, 2016

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The Board of Management for the Oshawa Central Business District Improvement Area (the "Board") was created by a City Council by-law. It is responsible for the promotion of the area as a business and shopping area, including the improvement, beautification and maintenance of the City properties over and above that provided by the municipality at large.

## 1. Summary of significant accounting policies

The financial statements of the Board are representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The Statement of Financial Position includes the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations.

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Accumulated surplus represents the difference between assets and liabilities of the Board. This provides information about the Board's overall future revenue requirements and its ability to finance operations and meet its obligations.

### a) *Tangible capital assets*

Tangible capital assets are recorded at cost. The cost, less residual value of the tangible capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Computer hardware and software	3-5 years
Furniture and fixtures	3 years

### b) *Revenue recognition*

Taxation revenue is recorded when earned and is based on a special assessment. Businesses in the Business District Improvement Area Summer Student Subsidy is recorded when the subsidy is authorized and all required conditions are met.

### c) *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

# Oshawa Central Business District Improvement Area

Notes to the financial statements  
December 31, 2016

## 2. Tangible capital assets

			2016	2015
	Computer hardware and software	Furniture and fixtures	Total	Total
	\$	\$	\$	\$
Cost				
Balance, beginning of year	2,921	734	3,655	2,383
Additions	-	-	-	-
Balance, end of year	2,921	734	3,655	3,655
Accumulated amortization				
Balance, beginning of year	2,073	734	2,807	1,588
Amortization expense	424	-	424	-
Balance, end of year	2,497	734	3,231	2,807
Net book value, end of year	424	-	424	848

## 3. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Current fund	73,267	74,592
Invested in capital assets	424	848
	<b>73,691</b>	<b>75,440</b>

# Oshawa Central Business District Improvement Area

Schedule of expenses  
year ended December 31, 2016

	Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Administration</b>			
Salaries and benefits	40,000	40,162	38,715
Rent and occupancy cost	3,600	3,383	3,180
Miscellaneous	300	24	49
Photocopying, stationery and supplies	1,500	2,750	3,011
Insurance	1,900	1,706	1,681
Network	1,000	-	-
Professional fees	5,600	5,388	6,252
Telephone and facsimile	1,200	1,331	1,344
Training and travel	500	300	339
Postage	1,000	775	668
Board meeting expenses	600	359	208
Professional memberships	400	387	-
Computer equipment	-	235	407
Computer equipment amortization	500	424	424
	<b>58,100</b>	<b>57,224</b>	<b>56,278</b>
<b>Beautification</b>			
Christmas lights and promotion	5,000	-	142
Graffiti removal	-	-	3,053
Banners installation/removal	3,000	10,756	2,118
New banners	12,500	11,366	5,938
Beautification	15,000	21,166	17,096
	<b>35,500</b>	<b>43,288</b>	<b>28,347</b>
<b>Promotion</b>			
Ambassador Team	-	1,806	(1,168)
UOIT	-	-	1,250
Bikes on Bond	6,000	7,849	6,217
Advertising	1,000	1,276	964
Website	1,000	6,450	250
Kars on King	12,500	4,220	10,352
New Events	10,000	2,705	3,919
Show and Shine	2,000	(99)	672
Communities with Brooms	200	100	200
Media Campaign	35,000	22,280	22,392
	<b>67,700</b>	<b>46,587</b>	<b>45,048</b>
<b>Membership liaison</b>			
Newsletters	1,500	-	929
Members' meetings and seminars	750	288	545
Annual general meeting	500	163	188
	<b>2,750</b>	<b>451</b>	<b>1,662</b>

The accompanying notes to the financial statements are an integral part of this financial statement.